IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

WEDNESDAY, THE NINTH DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

**THE HON'BLE MR JUSTICE B. SUDERSHAN REDDY**

**and**
**THE HON'BLE MR JUSTICE C.V.RAMULU**

**WRIT PETITION NO : 2107 of 2005**

Between:

M/s. Yada Spices (Private) Limited, Warangal,

rep. by its Managing Director R.Srinivasa Rao,

S/o.R.V.Ranga Rao, R/o.11-23-1488/2,
L.B.Nagar, Warangal.

**..... PETITIONER**

AND

1. Union Bank of India, Zonal office,

Moazamjahi Market Road, Hyderabad

rep.by its Deputy General Manager.

2 The Union Bank of India, Warangal Branch,

Jayaprakash Narayan Road, Warangal,

rep.by its Branch Manager.

**.....RESPONDENTS**

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed herein the High Court may be pleased to issue such an appropriate writ, order or direction to the respondents more particularly one in the nature of mandamus declaring the action of the officials of the 2nd respondent in threatening to seize the stocks of Cotton Corporation of India Limited, a Government of India undertaking, Warangal Branch a lessee under the

petitioner without taking any decision on the representation made by the petitioner in response to the notice issued by the General Manager of the 1st respondent under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, is arbitrary, illegal and without authority and as such violation of Article 14 of the Constitution of India.

**For the Petitioner: MR. Hari Sreedhar, Advocate.**

**For the Respondents: MR.A.Krishnam Raju, Standing Counsel.**

**The Court made the following :**

**ORDER:** (per Sri B. Sudershan Reddy, J)

Heard the learned counsel for the petitioner and Sri A. Krishnam Raju, learned Standing Counsel appearing on behalf of the respondent – Bank and at their request, the matter is taken up for final disposal at the admission stage. Rule nisi.

The gravamen of the complaint in the instant writ petition relates to inaction on the part of the respondent – Bank in considering the representation/objections made by the petitioner in response to the notice dated 25-2-2004 issued by the 1st respondent – Bank under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002. It is submitted that even before taking an appropriate decision on the representation made by the petitioner herein, the respondents are threatening and initiating action to seize the stocks of the Cotton Corporation of India Limited, a Government of India undertaking, which is stated to have been inducted into the possession of the premises by the petitioner as a lessee. All that the petitioner submits is that the representation/objections made it are required to be considered by the 1st respondent – Bank in terms of the law declared by the apex Court and without taking any decision thereon, it is impermissible for the respondents to proceed further in the matter.

On a consideration of the facts, we consider it appropriate to direct the 1st respondent herein to take an appropriate decision in the matter by duly considering

the representation/objections made by the petitioner and communicate the same to the petitioner. It is needless to direct that until such a decision is taken and communicated to the petitioner, no coercive steps shall be taken by the respondents as against the petitioner or the Cotton Corporation of India, which is stated to have been inducted into possession as lessee by the petitioner. It shall be open to the petitioner to avail such remedies as may be available to it in law, in case, if the decision to be taken by the respondent – Bank goes against it.

The Writ Petition is accordingly disposed of.

(B. Sudershan Reddy, J)

09-03-2005

(C.V. Ramulu, J)

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To

1. The Deputy General Manager,
   Union Bank of India, Zonal office,

Moazamjahi Market Road, Hyderabad

2. The Branch Manager, the Union Bank of India,

Warangal Branch, ayaprakash Narayan Road,

Warangal.

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4. 1 CC to MR.HARI SREEDHAR